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Auswirkungen von SARS-CoV-2-Maßnahmen auf die Wirtschaftstätigkeit im Ausland - und auf Arbeitsplätze im Inland

Results of all three waves

Wien, 04/08/2020

Meta data on research project

- Project ([COV20-041](#)) in the context of the WWTF Covid-19 rapid response call (<https://www.wwtf.at/covid/index.php?lang=EN&ID=9811#O9811>)
- Jonas Puck in collaboration with: Thomas Lindner, Jakob Müllner, Michael Wolfesberger (WU Vienna); Andreas König, Universität Passau; Oesterreichische Nationalbank (OeNB); Wirtschaftskammer Österreich (WKO)

- **Abstract**

The SARS-CoV-2 pandemic as well as the measures taken to reduce its human cost represent challenges to most, if not all, firms in Vienna and Austria. Strategy research provides strong evidence that how decision makers in firms perceive and frame a specific situation (e.g., threat vs opportunity; intensity of a threat or an opportunity; time-horizon) has major implications for both short- and longer-term firm strategy and internationalization processes. We therefore propose to analyze how corporate decision makers' perceptions (at different points in time over the next weeks/month) of the SARS-CoV-2-challenge influence firms' future national and international investment strategies. Results will be of relevance to international business theory as they provide evidence on the relationship between the perceptions of the challenge and firm strategy. They will also be of relevance to policy-makers as results will provide recommendations on how policy makers can communicate to firms in order to shape decision makers' perceptions and to minimize detrimental economic consequences. In turn, the economy may be able to minimize losses in the 50% of jobs in Austria that are driven by international business activities.

Survey of investment decision makers initiated

- **Survey questions** focused on threat perception and controllability
 - personal information of the decision maker
 - item battery of 10 questions around the perception of threat & controllability (adapted from Thomas, J. B., Clark, S. M., & Gioia, D. A. (1993))
 - the expected durability, intensity of the crisis and likelihood of applying for official support
- **Primary data collection**
 - 1st wave: 21/04 – 05/05/2020
 - 2nd wave: 25/05 – 08/06/2020
 - 3rd wave: 29/06 – 09/07/2020
- **Response rates first wave**
 - **1st wave: 408 Austrian companies from all Austrian regions and 14 industries (NACE)**
 - **2nd wave: 402 Austrian companies from all Austrian regions and 13 industries (NACE)**
 - **3rd wave: 405 Austrian companies from all Austrian regions and 12 industries (NACE)**
- This research project has been funded by the Vienna Science and Technology Fund (WWTF) through project COV20-041

Brief summary of results

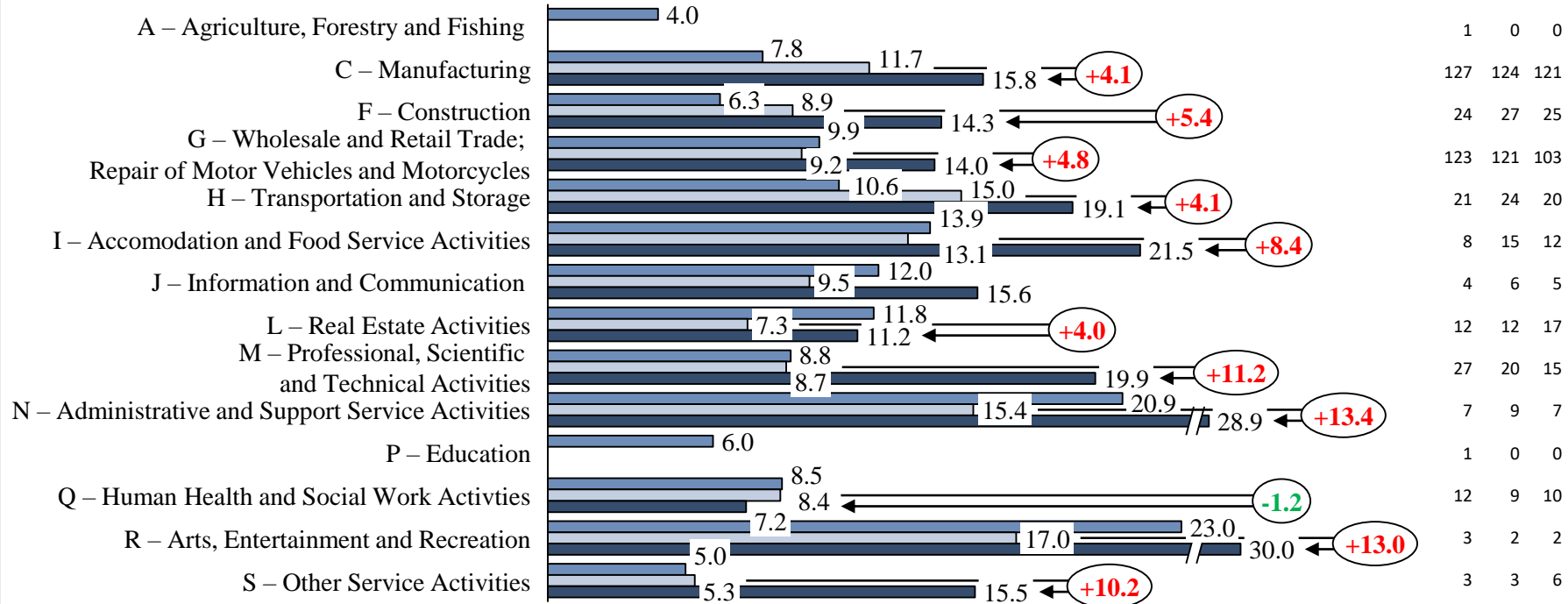
- Firms across all industries expect longer recovery times than earlier in the pandemic [[slide 5](#)]
 - Firms also expect longer recovery times for their suppliers, customers, and competitors [[slide 6](#)]
 - Longest expected recovery times now in Burgenland in Salzburg, shortest in Styria [[slide 7&8](#)]
- While firms see a longer recovery time, they perceive the Covid-19 pandemic slightly less as a threat than earlier during the pandemic [[slide 9](#)]
- Firms across the country and industries expect the Covid-19 pandemic to affect business stronger than the financial crisis that started in 2007 [[slide 10&11](#)]
- Majority of companies have applied for official aid, or plan to do so, but fewer are planning to do so than early in the pandemic [[slide 12](#)]
 - Companies with a longer recovery time are also more likely to seek official support – Salzburg and Burgenland above / Vienna and Vorarlberg below the national trend [[slide 13](#)]

Note: Results are based on all companies contacted in the three waves – results for 153 firms contacted in all three waves show a similar picture

While the recovery time did not change significantly in the 2nd wave, there is a clear increase in the 3rd wave visible

Managers' perception of how long it will take until their company can act like before the crisis
avg. months – acc. to main NACE code (changes from wave 2 - 3 in green/red)*

Sample size



* Figures for 1st & 2nd wave were adjusted by 2 and 1 month respectively to observe actual changes in the expected recovery time.
 Note: Firms differ across waves.

■ 1st wave ■ 2nd wave ■ 3rd wave

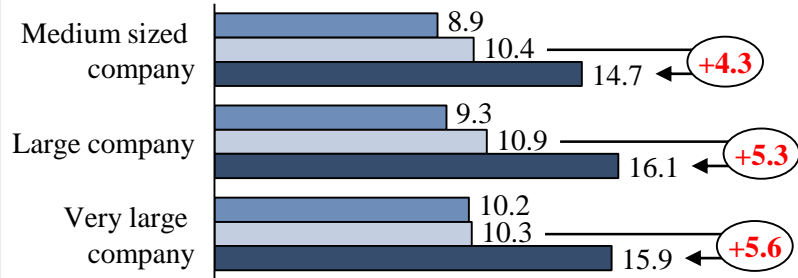
Firms of all sizes expect a longer recovery time than initially thought

Results of the all three wave



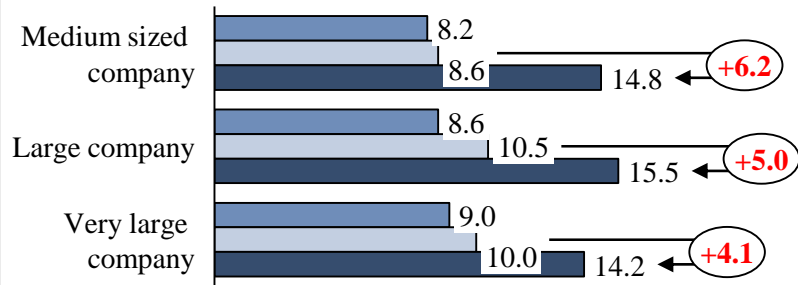
Managers' perception of how long it will take until their company can act like before the crisis

avg. months* - acc. to size (changes from wave 2 - 3 in green/red)



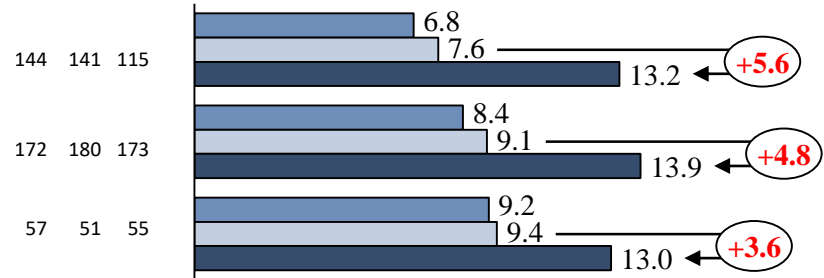
Managers' perception of how long it will take until their customers can act like before the crisis

avg. months* - acc. to size (changes from wave 2 - 3 in red)



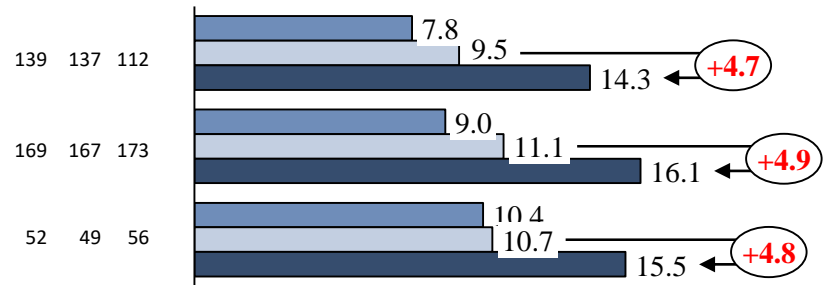
Managers' perception of how long it will take until their supplier can act like before the crisis

Sample size 1st 2nd 3rd avg. months* - acc. to size (changes from wave 2 - 3 in green/red)



Managers' perception of how long it will take until their competitors can act like before the crisis

avg. months* - acc. to size (changes from wave 2 - 3 in red)



* Figures for 1st & 2nd wave were adjusted by 2 and 1 month respectively to observe actual changes in the expected recovery time.
Note: Firms differ across waves.

1st wave 2nd wave 3rd wave

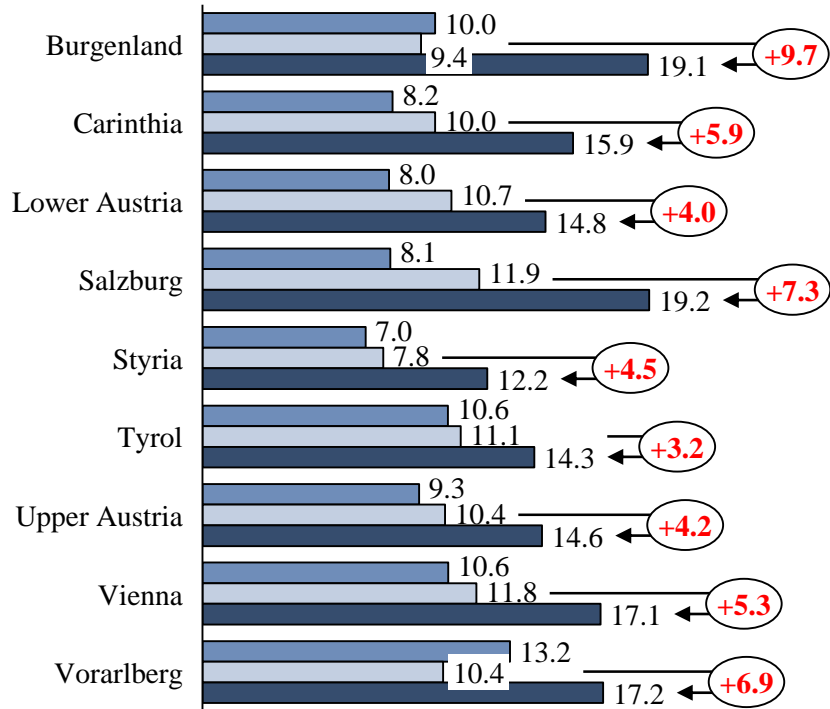
The expected recovery time still differs according to region but increased in all of them

Results of the all three wave



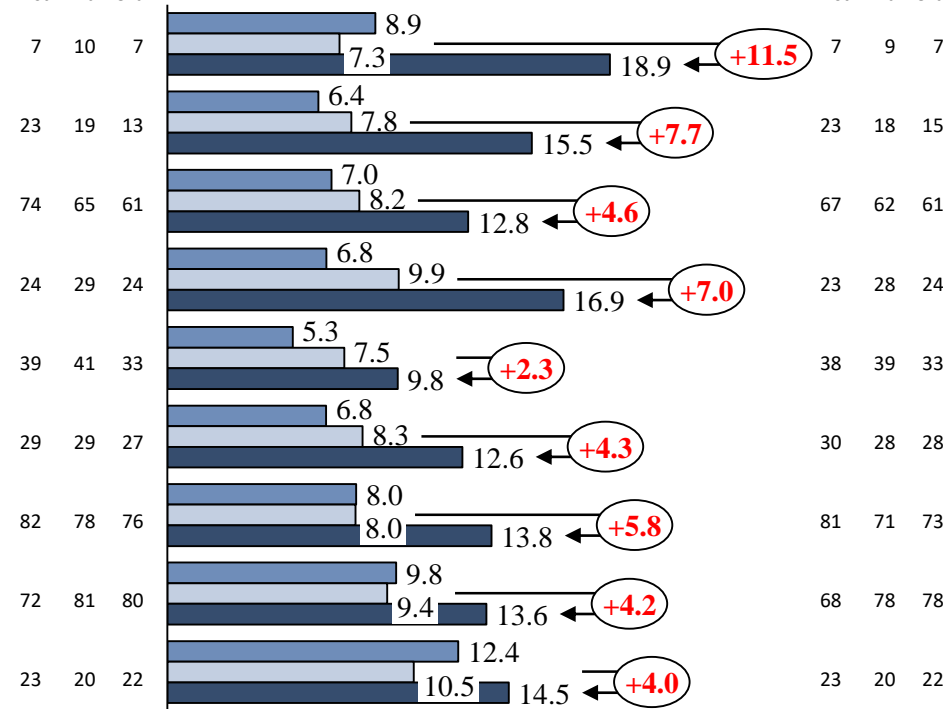
Managers' perception of how long it will take until their company can act like before the crisis

avg. months* – acc. to region (changes from wave 2 - 3 in green/red)



Managers' perception of how long it will take until their suppliers can act like before the crisis

avg. months* – acc. to region (changes from wave 2 - 3 in green/red)



* Figures for 1st & 2nd wave were adjusted by 2 and 1 month respectively to observe actual changes in the expected recovery time.
Note: Firms differ across waves.

1st wave 2nd wave 3rd wave

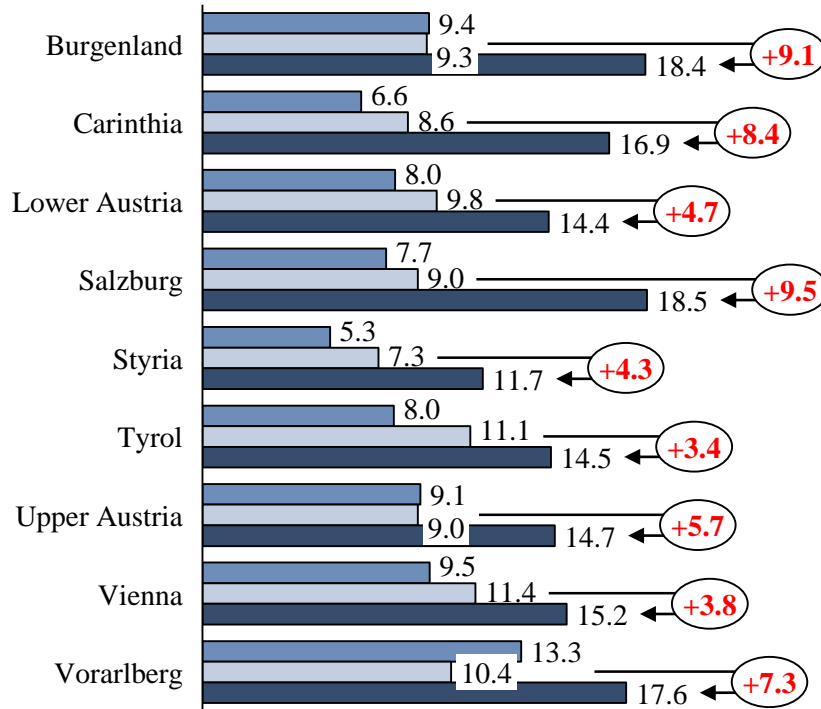
The expected recovery time still differs according to region but increased in all of them

Results of the all three wave



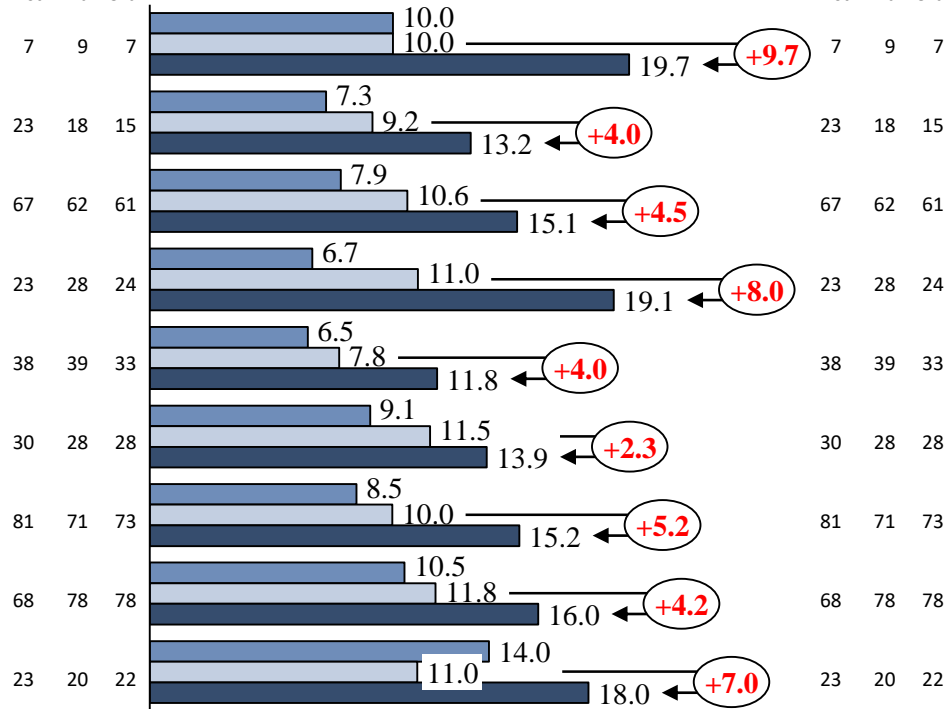
Managers' perception of how long it will take until their customers can act like before the crisis

avg. months* - acc. to region (changes from wave 2 - 3 in green/red)



Managers' perception of how long it will take until their competitors can act like before the crisis

avg. months* - acc. to region (changes from wave 2 - 3 in green/red)



* Figures for 1st & 2nd wave were adjusted by 2 and 1 month respectively to observe actual changes in the expected recovery time.
Note: Firms differ across waves.

1st wave 2nd wave 3rd wave

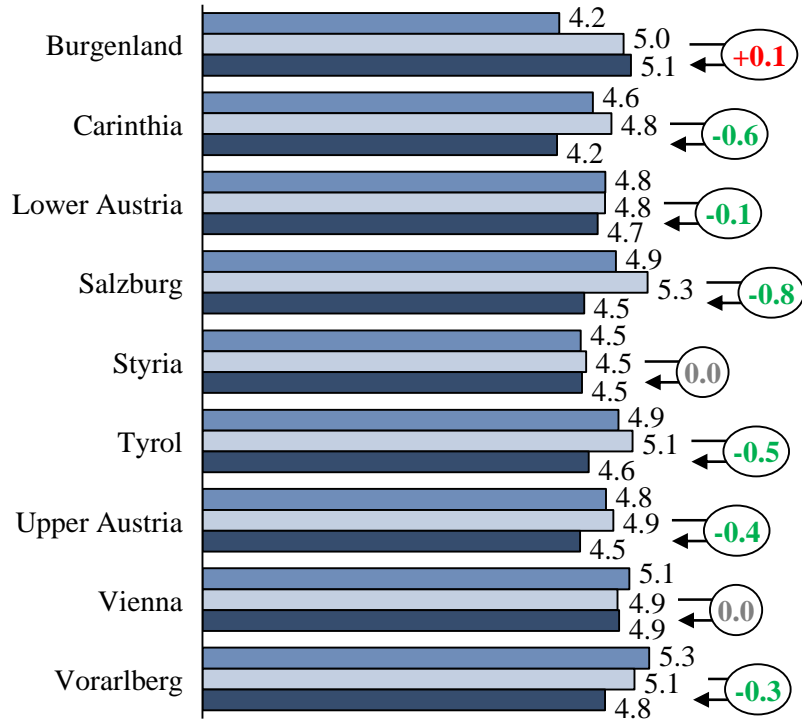
The perception of the pandemic as a threat declined in most regions slightly

Results of the all three wave



Managers' perception of threat vs. opportunity

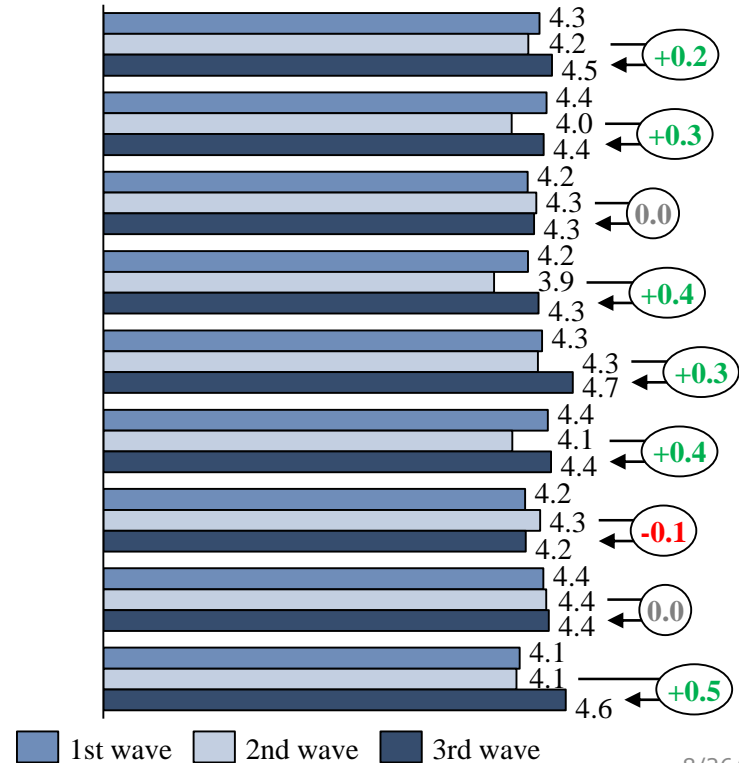
1 – opportunity, 7 – threat – acc. to region (changes from wave 2 - 3 in green/red)



Note: Firms differ across waves.

Managers' perception of controllability

1 – no controllability, 7 – high controllability – acc. to region (changes from wave 2 - 3 in green/red)



Sample size

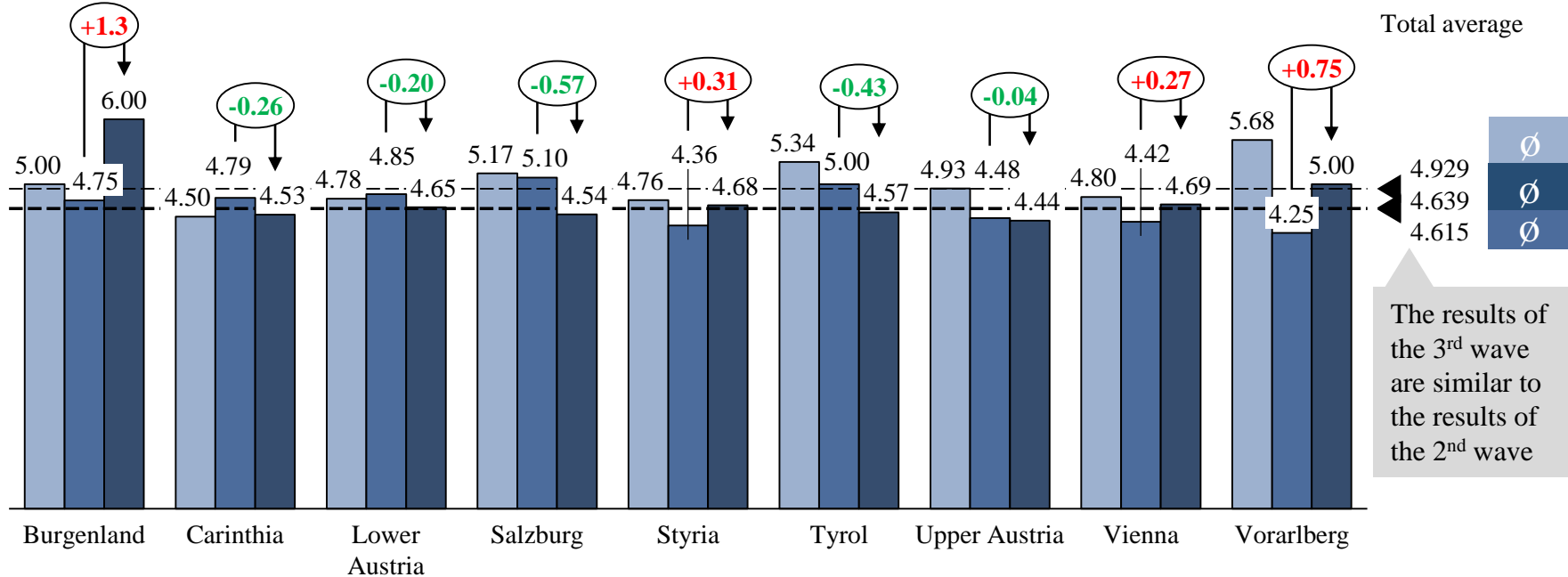
Region	1st	2nd	3rd
Burgenland	8	12	8
Carinthia	25	19	17
Lower Austria	77	68	66
Salzburg	25	30	30
Styria	43	45	42
Tyrol	32	32	31
Upper Austria	93	88	93
Vienna	79	87	93
Vorarlberg	25	21	25

1st wave 2nd wave 3rd wave

The impact of the Covid-19 pandemic on the own firm is perceived more similar to the financial crisis now than in the 1st wave

Companies' perception of the Covid-19 crisis in comparison to the financial crisis 2007

Perception of impact on own company [7-much stronger | 1-much weaker] (changes from wave 2 - 3 in green/red)



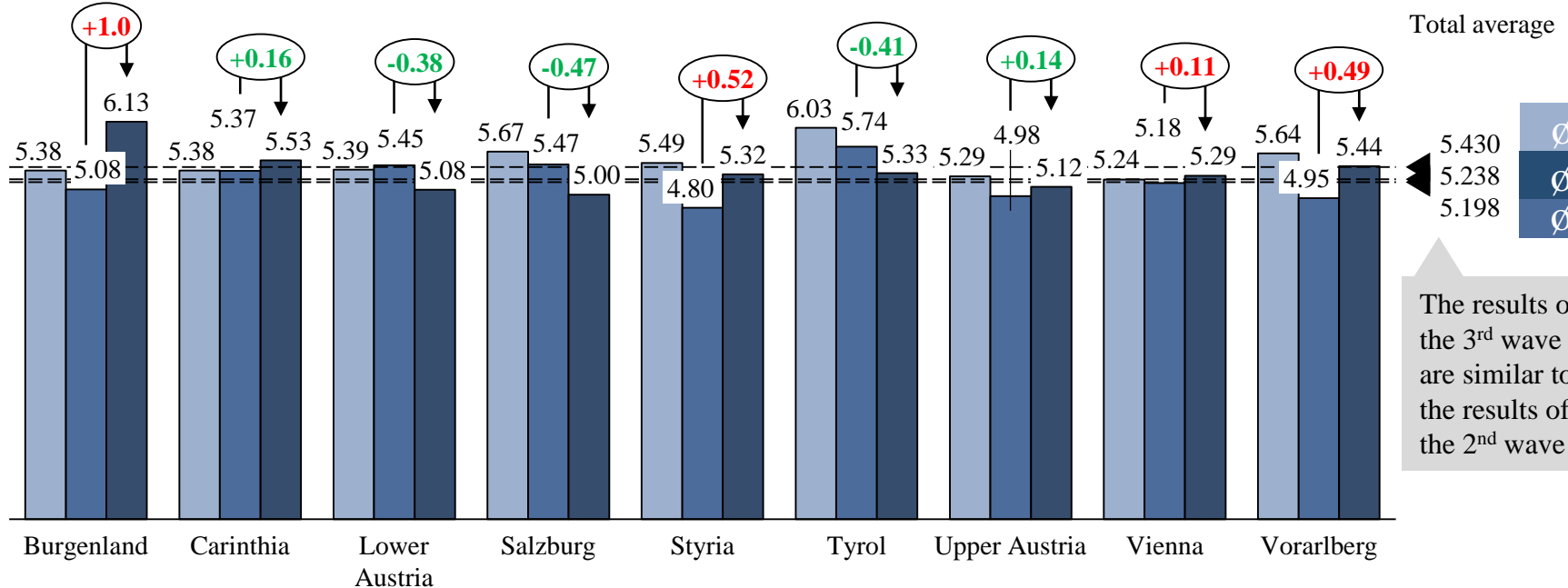
Note: Firms differ across waves.

1st wave 2nd wave 3rd wave

The comparison to the financial crisis regarding the market impact remained quite stable but still above the values for the own company

Companies' perception of the Covid-19 crisis in comparison to the financial crisis 2007

Perception of impact on market [7-much stronger | 1-much weaker] (changes from wave 2 - 3 in green/red)

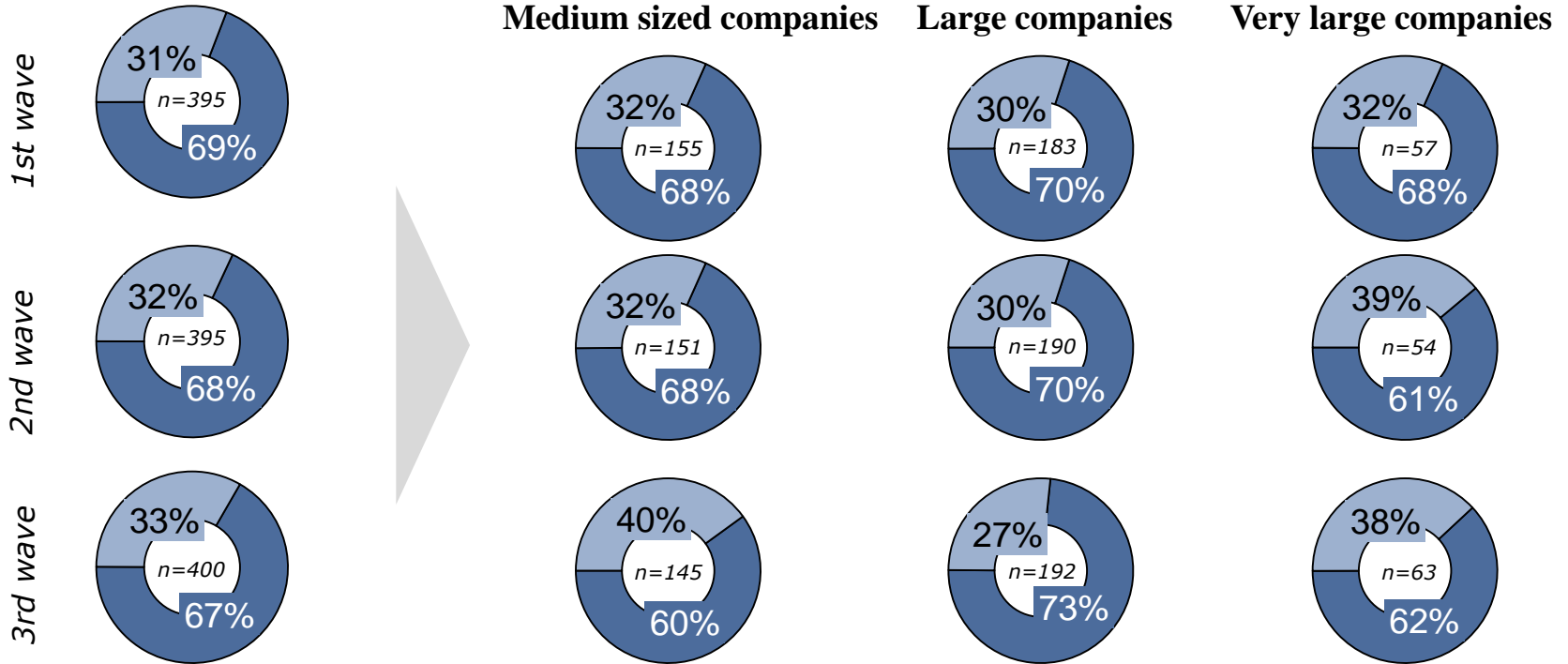


Note: Firms differ across waves.

1st wave 2nd wave 3rd wave

Only slight changes across the waves are visible with large companies being most likely to apply for support

Companies that have applied or have the intention to apply for official support
% of companies in sample

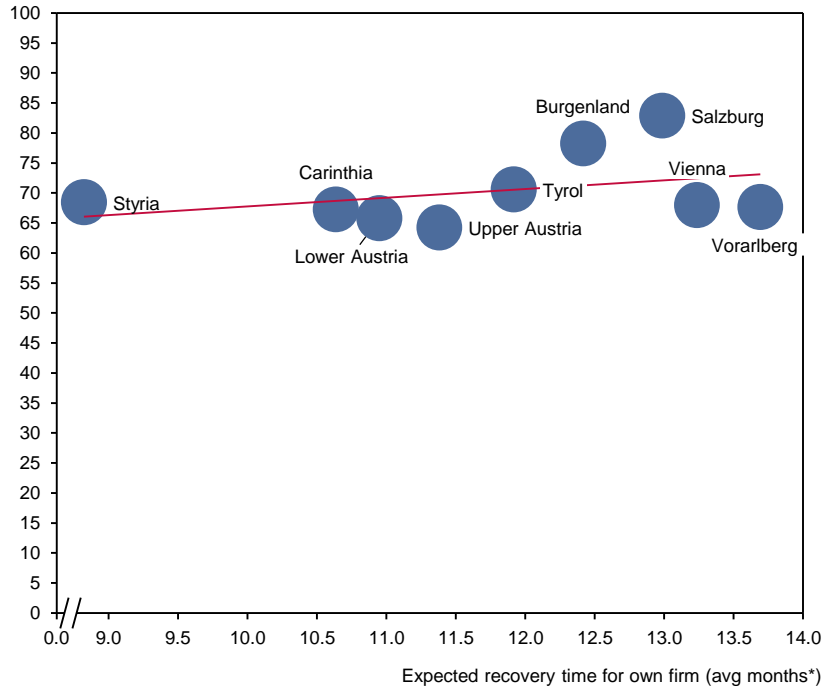


Note: Firms differ across waves.

■ Have / will apply for official support ■ Do not intend to apply for official support

An increase in expected recovery time comes with an increase in the portion of firms seeking official support

Have / will apply for official support (% of companies)



Sample size

All 3 waves

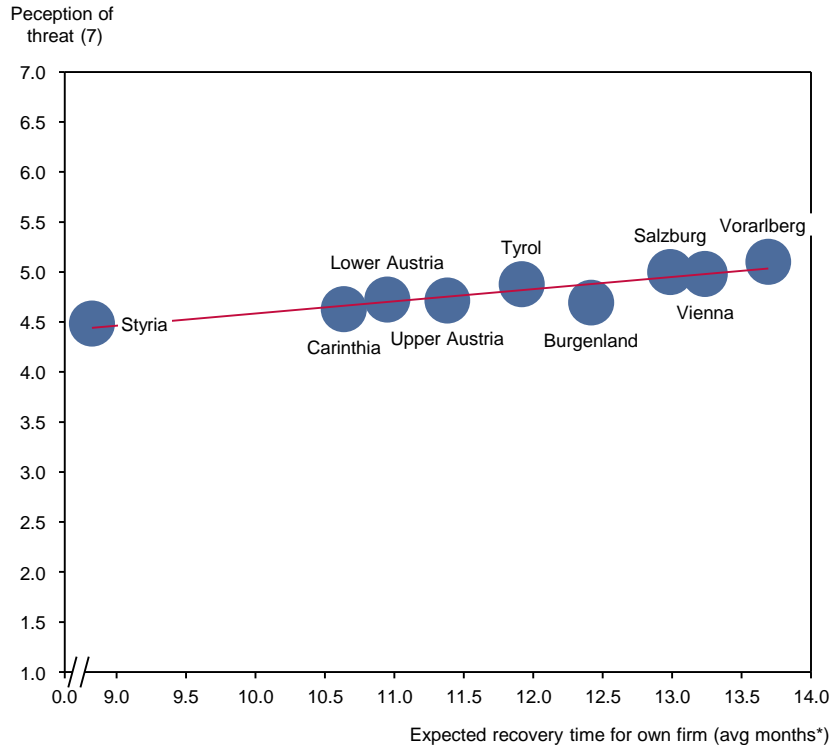
Burgenland	23
Carinthia	55
Lower Austria	193
Salzburg	76
Styria	111
Tyrol	85
Upper Austria	235
Vienna	225
Vorarlberg	65

Insights

- Among the regions with the highest expected recovery time, firms in **Burgenland and Salzburg** show the highest portion of seeking official support. On the contrary, Vienna and Vorarlberg show a high expected recovery time, but low rates of seeking official support
- Companies in **Styria, Carinthia and Tyrol** are in line with the nationwide trend

* Figures for 1st & 2nd wave were adjusted by 2 and 1 month respectively to observe actual changes in the expected recovery time.
Note: Firms differ across waves.

Perceiving the pandemic more as a threat also seems to come with a slightly higher expected recovery time



Sample size

All 3 waves

Burgenland	24
Carinthia	55
Lower Austria	200
Salzburg	77
Styria	113
Tyrol	85
Upper Austria	235
Vienna	233
Vorarlberg	65

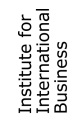
Insights

- **Most regions seem to be in line with the general trend**
- Companies in **Vorarlberg** do not only expect the **longest recovery time**, but also exhibit the **highest threat perception value** on average
- Companies in **Styria** have the **shortest expected recovery time** and the **lowest threat perception value** on average

* Figures for 1st & 2nd wave were adjusted by 2 and 1 month respectively to observe actual changes in the expected recovery time.
Note: Firms differ across waves.

Industry classifications based on NACE Rev. 2

Industrie	Sub-Industrien
A – Agriculture, Forestry and Fishing	Crop and animal production, hunting and related service activities, Forestry and logging, Fishing and aquaculture
C - Manufacturing	Manufacture of food products, beverages, tobacco products, textiles, wearing apparel, leather and related products, wood and products of wood and cork (except furniture), articles of straw and plaiting materials, paper and paper products, Printing and reproduction of recorded media, manufacture of coke and refined petroleum products, chemicals and chemical products, basic pharmaceutical products and pharmaceutical preparations, rubber and plastic products, other non-metallic mineral products, basic metals, of fabricated metal products, except machinery and equipment, computer, electronic and optical products, electrical equipment, machinery and equipment n.e.c., motor vehicles, trailers and semi-trailers, other transport equipment, furniture, other manufacturing Repair and installation of machinery and equipment
F - Construction	Construction of buildings, Civil engineering, Specialised construction activities
G – Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	Wholesale and retail trade and repair of motor vehicles and motorcycles, Wholesale trade (except of motor vehicles and motorcycles), Retail trade (except of motor vehicles and motorcycles)
H – Transportation and Storage	Land transport and transport via pipelines, Water transport, Air transport, Warehousing and support activities for transportation, Postal and courier activities
I – Accommodation and Food Service Activities	Accommodation, Food and beverage service activities
J – Information and Communication	Publishing activities, Motion picture, video and television programme production, sound recording and music publishing activities, Programming and broadcasting activities, Telecommunications, Computer programming, consultancy and related activities, Information service activities
L – Real Estate Activities	Real estate activities,
M – Professional, Scientific and Technical Activities	Legal and accounting activities, Activities of head offices; management consultancy activities, Architectural and engineering activities; technical testing and analysis, Scientific research and development, Advertising and market research, Other professional, scientific and technical activities, Veterinary activities
N – Administrative and Support Services	Rental and leasing activities, Employment activities, Travel agency, tour operator and other reservation service and related activities, Security and investigation activities, Services to buildings and landscape activities, Office administrative, office support and other business support activities
P - Education	Education
Q – Human Health and Social Work Activities	Human health activities, Residential care activities, Social work activities without accommodation
R – Arts, Entertainment and Recreation	Creative, arts and entertainment activities, Libraries, archives, museums and other cultural activities, Gambling and betting activities, Sports activities and amusement and recreation activities,
S – Other Service Activities	Activities of membership organisations, Repair of computers and personal and household good, Other personal service activities



Categorization according to size

Company size classification was taken from BvD Orbis database. BvD categorized companies if they match one of the criteria per section:

- **Very large companies:**
 - Operating revenue \geq 100 million EUR (130 million USD)
 - Total assets \geq 200 million EUR (260 million USD)
 - Employees \geq 1,000
 - Listed

Companies with ratios operating revenue per employee or total assets per employee below 100 EUR (130 USD) are excluded from this category.

Companies for which operating revenue, total assets and employees are unknown but have a level of capital over 5 million EUR (6.5 million USD) are also included in the category.

- **Large companies**
 - Operating revenue \geq 10 million EUR (13 million USD)
 - Total assets \geq 20 million EUR (26 million USD)
 - Employees \geq 150
 - Not very large

Companies with ratios operating revenue per employee or total assets per employee below 100 EUR (130 USD) are excluded from this category.

Companies for which operating revenue, total assets and employees are unknown but have a level of capital comprised between 500 thousand EUR (650 thousand USD) and 5 million EUR (6.5 million USD) are also included in the category.

- **Medium sized companies**
 - Operating revenue \geq 1 million EUR (1.3 million USD)
 - Total assets \geq 2 million EUR (2.6 million USD)
 - Employees \geq 15
 - Not very large or large

Companies with ratios operating revenue per employee or total assets per employee below 100 EUR (130 USD) are excluded from this category.

Companies for which operating revenue, total assets and employees are unknown but have a level of capital comprised between 50 thousand EUR (65 thousand USD) and 500 thousand EUR (650 thousand USD) are also included in the category.

- **Small companies** (*no company in sample*)
 - Not included in the other categories

Source: BvD Orbis





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